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# PRESS RELEASE

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## BLUE RIBBON COMMISSION ISSUES RECOMMENDATIONS TO CITY MANAGER ON WATER AND SEWER RATES

**Morro Bay, CA** – Morro Bay City Manager, Scott Collins released a [report and recommendations](#) from the Water Reclamation Facility (WRF) Blue Ribbon Commission today. The Commission, comprised of Morro Bay residents with significant finance and business experience and expertise, determined the City's proposed new water and sewer rates are reasonable.

The Commission's mission statement, according to their report, is to independently evaluate "the costs of the major components of the WRF program and water and sewer capital project needs and provide a recommendation to the City Manager for equitable and reasonable customer rates to pay for those needs."

The Commission met with City staff and the City's rate consultant to review WRF project costs, plans for future water and sewer related capital expenses, operations and maintenance costs, and WRF project financing scenarios to determine the impact all of the above would have on future user water and sewer rates.

As noted in the report, "the Commission consistently challenged the City staff and Program Manager on every component of the cost structure used to develop the new rates." Through this process, the Blue Ribbon Commission helped reduce rate impacts to the community.

Through the rate review process, the City determined that a \$41 per month surcharge would need to be added to the previously approved rates set for July 1, 2019. This amounts to a projected 27.3% rate increase for the average residential rate payer. Currently, approved rates have the average rate payer set to pay \$150/month in 2019; if the proposed new rates are adopted, the new rate would be \$191/month beginning in July 2019.

According to City Manager, Scott Collins, "the Blue Ribbon Commission more than lived up to its mission statement. I am very thankful for the incredible service they provided the community. They were instrumental in helping to reduce the amount of the proposed rates."

The new rate would finance the WRF project, provide \$1,000,000 annually to each of the water and sewer capital programs, and fund the ongoing operations and maintenance of the entire water and sewer system.

In addition to determining the proposed rate is reasonable, the Blue Ribbon Commission also recommended that the City postpone approval of the rates until the Council's August 14, 2018 meeting, to allow staff time to identify further savings through negotiations with the preferred proposer for the design and construction of the WRF facility, in addition to other methods to secure further cost savings. The Commission concluded by stating the WRF project should appear on the monthly rate payer bill as a separate line item.

To view the [Blue Ribbon Commission report](#) and learn more about the City's proposed rate increase, please link to: <http://www.morrobayca.gov/Archive.aspx?ADID=4666>